

Message Text

CONFIDENTIAL

PAGE 01 PEKING 00312 250436Z

20

ACTION EA-13

INFO OCT-01 SS-14 ISO-00 EB-03 NSC-10 COME-00 CIAE-00

NSCE-00 DRC-01 RSC-01 /043 W
----- 025937

P R 250420Z FEB 74

FM USLO PEKING

TO SECSTATE WASHDC PRIORITY 1412

INFO AMCONSUL HONG KONG

C O N F I D E N T I A L PEKING 0312

LIMDIS

E.O. 11652: GDS

TAGS: EIND ETRD CH US

SUBJ: US FERROUS SCRAP EXPORT TO PRC

REF: STATE 034369

1. USLO DOES WISH TO FOLLOW UP WASHINGTON DISCUSSION WITH MINMETALS HERE IN PEKING. ASIDE FROM IMPORTANCE OF THIS PARTICULAR ISSUE, IT IS NECESSARY FOR OUR RELATIONSHIPS HERE THAT WE RESPOND TO A PRC AGENCY THAT HAS PLACED A PROBLEM BEFORE US. ASIDE FROM PROVIDING MINMETALS WITH GENERAL BACKGROUND AND EXPLANATION OF EXPORT LICENSING PROGRAM, ARE WE CORRECT IN ASSUMING THAT OUR PRESENTATION SHOULD MAKE CLEAR THE FOLLOWING POINTS:

A. REGARDING CARRYOVER OF ORDERS LICENSED DURING SECOND HALF OF 1973 BUT NOT YET SHIPPED, THE PRC SHOULD URGE SELLERS TO MAKE SHIPMENTS BEFORE THESE LICENSES EXPIRE. (HOW LONG ARE THOSE LICENSES EFFECTIVE BEFORE THEY EXPIRE?)

B. REGARDING THOSE ORDERS LICENSED DURING THE SECOND HALF OF 1973 WHICH ALREADY HAVE EXPIRED, THE US WILL CONSIDER EXTENDING THEM DEPENDING ON THE CIRCUMSTANCES. BUT EXTENSION IS NOT AUTOMATIC, AND DEPENDS ON WHETHER OR NOT THERE IS HARDSHIP (PARA 2 REFTTEL). THUS, THE PRC
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 PEKING 00312 250436Z

SHOULD PROVIDE US WITH INFORMATION REGARDING SCRAP REQUIREMENTS,

AVAILABILITIES, AND SHORTFALLS. WE NEED THE SAME
KIND OF INFORMATION IN CONNECTION WITH ANY POSSIBLE
SUPPLEMENTARY ALLOCATION FROM THE CONTINGENCY RESERVE.

C. REGARDING THE FIRST QUARTER ALLOCATIONS FOR THE PRC,
MINMETALS SHOULD DEAL WITH THOSE FIRMS WITH WHICH IT HAS DONE
BUSINESS IN THE PAST, SINCE ONLY THEY ARE ELIGIBLE TO SHIP
SCRAP TO THE PRC UNDER THE PRESENT PROGRAM. THE SAME WOULD
APPLY TO ANY SUPPLEMENTARY ALLOCATION, IF ONE IS GRANTED FOR
THE PRC, FROM THE CONTINGENCY RESERVE.

2. USLO WOULD APPRECIATE EARLIEST ADVICE ON THE ABOVE
POINTS. WE WISH TO HAVE FOLLOWUP CONVERSATION WITH MINMETALS
ASAP, BUT WILL WAIT FOR MATERIALS THAT HAVE BEEN POUCHED TO
US (PARA 12 REFTEL) IF DEPARTMENT BELIEVES THESE ARE ESSENTIAL
TO OUR PRESENTATION.

3. WHILE WE ASSUME THERE ARE SOUND REASONS FOR PERMITTING
EXPORTERS TO RECEIVE ALLOCATIONS ONLY FOR THOSE COUNTRIES
WITH WHICH THEY HAVE HAD TRADE DURING THE BASE PERIOD, WE
BELIEVE SUCH A REQUIREMENT IS PARTICULARLY ONEROUS FOR A
COUNTRY SUCH AS PRC WHOSE QUARTERLY QUOTA ALLOCATION UNDER
PRESENT LICENSING PROGRAM IS SO SMALL, AND WHOSE
EXPERIENCE IN MAKING PURCHASES FROM THE US HAS BEEN SO
SHORT. THIS CERTAINLY COMPOUNDS THE DIFFICULTIES FOR THE
CHINESE, AND POSSIBLY THEIR RESENTMENT OVER THE IMPACT
ON THEM OF THIS PROGRAM. IS ANY FLEXIBILITY POSSIBLE IN
THIS REGARD?
JENKINS

CONFIDENTIAL

NNN

Message Attributes

Automatic DecapTIONing: Z
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: IRON, EXPORTS, STOCKPILE DISPOSAL, FERROALLOYS
Control Number: n/a
Copy: SINGLE
Draft Date: 25 FEB 1974
DecapTION Date: 28 MAY 2004
DecapTION Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974PEKING00312
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: n/a
From: PEKING
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740211/aaaaakfl.tel
Line Count: 90
Locator: TEXT ON-LINE
Office: ACTION EA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: LIMDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: LIMDIS
Reference: STATE 034369
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 15 JUL 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <15 JUL 2002 by shawdg>; APPROVED <23 JAN 2003 by GolinoFR>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: US FERROUS SCRAP EXPORT TO PRC
TAGS: EIND, ETRD, CH, US
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005